
UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

North American Electric Reliability
Corporation

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Docket No. RM09-14-000

PETITION OF THE
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION
FOR APPROVAL OF INTERPRETATION OF REGIONAL RELIABILITY STANDARD
TOP-007-WECC-1

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TOP-007-WECC-1**

Pursuant to Section 215(d)(1) of the Federal Power Act (“FPA”)¹ and Section 39.5² of the Federal Energy Regulatory Commission’s (“FERC” or “Commission”) regulations, the North American Electric Reliability Corporation (“NERC”)³ hereby submits a proposed Interpretation of Requirement R1 of regional Reliability Standard TOP-007-WECC-1 for Commission approval. NERC requests that the Commission approve proposed regional Reliability Standard TOP-007-WECC-1a (**Exhibit A**), an Interpretation of regional Reliability Standard TOP-007-WECC-1, and find that the proposed Interpretation is just, reasonable, not unduly discriminatory or preferential, and in the public interest.⁴

As required by Section 39.5(a)⁵ of the Commission’s regulations, this petition presents the technical basis and purpose of proposed regional Reliability Standard TOP-007-WECC-1a

¹ 16 U.S.C. § 824o (2006).
² 18 C.F.R. § 39.5 (2013).
³ The Commission certified NERC as the electric reliability organization (“ERO”) in accordance with Section 215 of the FPA on July 20, 2006. *N. Am. Elec. Reliability Corp.*, 116 FERC ¶ 61,062 (2006).
⁴ Unless otherwise designated, all capitalized terms shall have the meaning set forth in the *Glossary of Terms Used in NERC Reliability Standards*, available at http://www.nerc.com/files/Glossary_of_Terms.pdf
⁵ 18 C.F.R. § 39.5(a) (2013).

and a summary of the development history (**Exhibit D**). Proposed regional Reliability Standard TOP-007-WECC-1a was approved by the NERC Board of Trustees on February 6, 2014.

I. EXECUTIVE SUMMARY

Arizona Public Service (“APS”) is a Transmission Operator for certain Transmission Facilities within Western Electricity Coordinating Council (“WECC”) Path 49 and other designated WECC paths. There are several other Transmission Operators with facilities within Path 49.

On February 8, 2013, APS filed with WECC a Request for Interpretation of regional Reliability Standard TOP-007-WECC-1 seeking confirmation that regional Reliability Standard TOP-007-WECC-1 applies only to Transmission Operators, as defined in the NERC Glossary of Terms⁶, and not to Path Operators, a designation used only by WECC. The Interpretation request is specific to the Applicability section and Requirement R1 of the regional Reliability Standard.

While Path Operators are not expressly mentioned in regional Reliability Standard TOP-007-WECC-1, they sometimes act as Transmission Operators and, in that capacity, could have compliance obligations under the regional Reliability Standard. APS states that ambiguity in this area can lead to confusion as to the authority and responsibility of Transmission Operators to take action in certain circumstances. In addition, these open questions have in the past and could again place Transmission Operators at risk of noncompliance, and could have negative implications for regional reliability.

⁶ Glossary of Terms Used in Reliability Standards, pg. 77, available at: http://www.nerc.com/files/glossary_of_terms.pdf.

The proposed Interpretation clarifies that regional Reliability Standard TOP-007-WECC-1, specifically Requirement R1, applies only to Transmission Operators. This is because NERC Functional Model Version 4⁷, in effect at the time the regional Reliability Standard was drafted, did not include Path Operators as an approved applicable entity. As such, WECC's standard drafting team was not authorized to include Path Operators as Responsible Entities under the regional Reliability Standard.

The proposed Interpretation of regional Reliability Standard TOP-007-WECC-1 neither expands on any Requirement nor explains how to comply with any Requirement. The proposed Interpretation provides only guidance on the meaning of the Applicability section and Requirement R1 based on WECC and NERC Reliability Standard Development Procedures.

II. NOTICES AND COMMUNICATIONS

Notices and communications with respect to this filing may be addressed to the following:⁸

⁷ NERC Function Model Version 4 is available at: http://www.nerc.com/pa/Stand/Functional%20Model%20Archive/Functional_Model_V4_CLEAN_2008Dec01.pdf. Note: Version 5 of the NERC Function Model is currently effective. Version 5 does not include "Path Operator" as an approved Responsible Entity.

⁸ Persons to be included on the Commission's service list are identified by an asterisk. NERC respectfully requests a waiver of Rule 203 of the Commission's regulations, 18 C.F.R. § 385.203 (2013), to allow the inclusion of more than two persons on the service list in this proceeding.

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III. BACKGROUND

A. Regulatory Framework

By enacting the Energy Policy Act of 2005,⁹ Congress entrusted the Commission with the duties of approving and enforcing rules to ensure the reliability of the Nation’s Bulk-Power System, and with the duties of certifying an ERO that would be charged with developing and enforcing mandatory Reliability Standards, subject to Commission approval. Section 215(b)(1)¹⁰ of the FPA states that all users, owners, and operators of the Bulk-Power System in the United States will be subject to Commission-approved Reliability Standards. Section 215(d)(5)¹¹ of the FPA authorizes the Commission to order the ERO to submit a new or modified Reliability Standard. Section 39.5(a)¹² of the Commission’s regulations requires the ERO to file with the Commission for its approval each Reliability Standard that the ERO proposes should become mandatory and enforceable in the United States, and each modification to a Reliability Standard that the ERO proposes should be made effective.

⁹ 16 U.S.C. § 824o (2006).

¹⁰ *Id.* § 824(b)(1).

¹¹ *Id.* § 824o(d)(5).

¹² 18 C.F.R. § 39.5(a) (2012).

The Commission has the regulatory responsibility to approve Reliability Standards that protect the reliability of the Bulk-Power System and to ensure that such Reliability Standards are just, reasonable, not unduly discriminatory or preferential, and in the public interest. Pursuant to Section 215(d)(2) of the FPA¹³ and Section 39.5(c)¹⁴ of the Commission's regulations, the Commission will give due weight to the technical expertise of the ERO with respect to the content of a Reliability Standard.

B. NERC Reliability Standards Development Procedure

NERC develops Reliability Standards and Interpretations in accordance with Section 300 (Reliability Standards Development) of its Rules of Procedure and the NERC Standard Processes Manual.¹⁵ In its ERO Certification Order, the Commission found that NERC's proposed rules provide for reasonable notice and opportunity for public comment, due process, openness, and a balance of interests in developing Reliability Standards and Interpretations and thus satisfies certain of the criteria for approving Reliability Standards and Interpretations. The development process is open to any person or entity with a legitimate interest in the reliability of the Bulk-Power System. NERC considers the comments of all stakeholders, and a vote of stakeholders and the NERC Board of Trustees is required to approve Reliability Standards and Interpretations before they are submitted to the Commission for approval.

The proposed Interpretation was developed in an open and fair manner and in accordance with the Commission-approved Reliability Standard development process.¹⁶ All persons who are

¹³ 16 U.S.C. § 824o(d)(2).

¹⁴ 18 C.F.R. § 39.5(c)(1).

¹⁵ The NERC Rules of Procedure are available at <http://www.nerc.com/AboutNERC/Pages/Rules-of-Procedure.aspx>. The NERC Standard Processes Manual is available at http://www.nerc.com/comm/SC/Documents/Appendix_3A_StandardsProcessesManual.pdf.

¹⁶ *Rules Concerning Certification of the Electric Reliability Organization; and Procedures for the Establishment, Approval, and Enforcement of Electric Reliability Standards*, Order No. 672 at P 334, FERC Stats. & Regs. ¶ 31,204, *order on reh'g*, Order No. 672-A, FERC Stats. & Regs. ¶ 31,212 (2006) ("Further, in considering whether a proposed Reliability Standard meets the legal standard of review, we will entertain comments about

directly or materially affected by the reliability of the North American Bulk-Power System are permitted to request an Interpretation of a Reliability Standard, as discussed in NERC's Reliability Standards Development Procedure ("RSDP"), which is incorporated into the Rules of Procedure as Appendix 3A. Upon request, NERC will assemble a team with the relevant expertise to address the Interpretation request and present an Interpretation for industry ballot. If approved by the ballot pool and the NERC Board of Trustees, the Interpretation is appended to the Reliability Standard and filed for approval with the Commission and applicable governmental authorities in Canada to be made effective when approved.

In this case, APS requested an Interpretation from WECC, a NERC Regional Entity, of a regional Reliability Standard—TOP-007-WECC-1—that applies only in the WECC region. WECC's RSDP are aligned with that of NERC's, described above, and contain guidelines for developing Interpretations.¹⁷ While WECC was responsible for initiating the Interpretation development process, both the NERC and WECC RSDP require approval of proposed Interpretations by both the NERC and WECC Boards.

When the affected Reliability Standard is next revised according to the Reliability Standards Development Procedure, the Interpretation, if approved by the Commission, will be incorporated into the Reliability Standard.

whether the ERO implemented its Commission-approved Reliability Standard development process for the development of the particular proposed Reliability Standard in a proper manner, especially whether the process was open and fair. However, we caution that we will not be sympathetic to arguments by interested parties that choose, for whatever reason, not to participate in the ERO's Reliability Standard development process if it is conducted in good faith in accordance with the procedures approved by FERC.").

¹⁷ The WECC Regional Standards Development Procedures are available at: <http://www.wecc.biz/library/WECC%20Documents/Business%20and%20Governance%20Documents/WECC%20Reliability%20Standards%20Development%20Procedures.pdf>.

C. History of Interpretation of TOP-007-WECC-1

On February 8, 2013, APS filed a Request for Interpretation of regional Reliability Standard TOP-007-WECC-1. The Interpretation request was specific to the Applicability section and Requirement R1 of the regional Reliability Standard. The WECC Standards Committee tasked the original standard drafting team to develop the Interpretation. The Interpretation was approved by the WECC Board on December 5, 2013 and by the NERC Board on February 6, 2014.

A summary of the Interpretation development history and complete record of development is attached at **Exhibit D**.

IV. JUSTIFICATION FOR APPROVAL

The basis and purpose of the Interpretation of regional Reliability Standard TOP-007-WECC-1 and the justification for the proposed Interpretation are set forth below.

A. Scope of the Interpretation Request

APS' Interpretation Request seeks clarification regarding the Applicability section and Requirement R1 of regional Reliability Standard TOP-007-WECC-1. Specifically, APS is seeking confirmation that regional Reliability Standard TOP-007-WECC-1 applies only to Transmission Operators, as defined in the NERC Glossary of Terms, and not to Path Operators, a designation used only by WECC. The relevant sections of the regional Reliability Standard are as follows:

- A. Introduction
 - 4. Applicability
 - 4.1. Transmission Operators for the transmission paths in the most current Table titled "Major WECC Transfer Paths in the Bulk Electric System" provided at [http://www.wecc.biz/Standards/Approved%](http://www.wecc.biz/Standards/Approved%20Standards)

B. Requirements

- R1. When the actual power flow exceeds an SOL for a Transmission path, the Transmission Operators shall take immediate action to reduce the actual power flow across the path such that at no time shall the power flow for the Transmission path exceed the SOL for more than 30 minutes.

Historically, in the WECC Region, Path Operators were assigned to each WECC transfer path that is subject to regional Reliability Standard TOP-007-WECC-1. However, regional Reliability Standards may not be applicable to Responsible Entities not recognized in the NERC Functional Model. A Path Operator was not recognized as a Responsible Entity by NERC Function Model Version 4, in effect when regional Reliability Standard TOP-007-WECC-1 was under development, nor is a Path Operator addressed in NERC's Statement of Compliance Registry Criteria¹⁸. WECC follows its RSDP in developing Reliability Standards. Because WECC's RSDP is, by design, aligned with NERC's Function Model, Path Operators cannot and are not listed as Responsible Entities in regional Reliability Standard TOP-007-WECC-1, and, as such, cannot, with the exception of any responsibilities they may have in their capacity as Transmission Operators for facilities in their respective Transmission Operator Areas, have compliance obligations under regional Reliability Standard TOP-007-WECC-1, according to APS.

Even in situations where a WECC Path Operator is acting as a Transmission Operator, the WECC Path Operator has authority only in its assigned Transmission Operator Area and not

¹⁸ NERC's Statement of Compliance Registry Criteria is available at: http://www.nerc.com/FilingsOrders/us/RuleOfProcedureDL/Appendix_5B_RegistrationCriteria_20140701.pdf.

in other Transmission Operator Areas that may be a part of the Path, or over others Transmission Operators contained therein.

APS asserts that clarification is particularly necessary because, in certain situations, a Path may involve multiple Transmission Operator Areas. Compliance obligations of Transmission Operators under regional Reliability Standard TOP-007-WECC-1 in such situations are unclear and open to interpretation given the possibility for confusion regarding the roles and responsibilities of Path Operators in those circumstances.

Such ambiguity can, according to APS, lead to a lack of clarity regarding the authority and responsibility, or lack thereof, of Transmission Operators to take action to reduce flows on Transmission Paths following an SOL exceedance, particularly on Transmission Paths that are not within their assigned Transmission Operator Area, which could lengthen the exceedance.

APS states that these open questions have in the past and could again place Transmission Operators at risk of noncompliance, and could have negative implications for regional reliability.

B. Justification for Approval

As the Commission has acknowledged, the Requirements are the most critical element of a Reliability Standard.¹⁹ As described above, APS noted in its Request for Interpretation that a lack of clarity in Applicability and in Requirement R1 of regional Reliability Standard TOP-007-WECC-1 could have potentially significant non-compliance risks for regional entities, and could adversely affect regional reliability. The proposed Interpretation clarifies that regional Reliability Standard TOP-007-WECC-1, specifically Requirement R1, applies only to Transmission Operators.

¹⁹ Mandatory Reliability Standards for the Bulk Power System, Notice of Proposed Rulemaking, 71 FR 64,770 (Nov. 3, 2006), FERC Stats. & Regs., Vol IV, Proposed Regulations, ¶ 32,608 (2006) at P 105 (“The most critical element of a Reliability Standard is the Requirements.”).

An Interpretation cannot and should not be used to substantively change a Reliability Standard, as acknowledged on the NERC Request for an Interpretation of a Reliability Standard form. The proposed Interpretation of regional Reliability Standard TOP-007-WECC-1 contains information that is intended to be used only for guidance purposes.

The NERC Standard Process Manual states that a “valid Interpretation response provides additional clarity about one or more Requirements, but does not expand on any Requirement and does not explain how to comply with any Requirement.”²⁰

The proposed Interpretation of regional Reliability Standard TOP-007-WECC-1 neither expands upon any Requirement nor explains how to comply with any Requirement. The proposed Interpretation provides guidance on the meaning of the Applicability section and Requirement R1 based on WECC and NERC RSDP.

APS requested clarification that WECC Path Operators do not have compliance obligations under regional Reliability Standard TOP-007-WECC-1 in their roles as Path Operators but, that if a Path Operator is acting as a Transmission Operator of Facilities in a particular WECC Path, by acting as a Transmission Operator, the Path Operator would have compliance obligations under regional Reliability Standard TOP-007-WECC-1 as to the Path Facilities in its assigned Transmission Operator Area and would not have any compliance obligations under regional Reliability Standard TOP-007-WECC-1 as to Transmission Facilities outside its assigned Transmission Operator Area.

In response to APS’ Interpretation request, WECC tasked the standard drafting team responsible for regional Reliability Standard TOP-007-WECC-1 with developing an

²⁰ NERC Standard Process Manual at p. 27.

Interpretation. That team developed, and the industry stakeholders approved, the following

Interpretation:

APS' Request is governed by the Procedures, Step 3 – Drafting Team Begins Drafting Phase and Submits Draft Standard to WSC, at page 6, stating:

“All WECC Standards will follow a standard format that refers to the “Responsible Entities” included in the NERC Functional Model and includes compliance measures according to the WECC standard template.”

The NERC Functional Model 4, in effect at the time the standard was drafted, did not include Path Operators as an approved applicable entity; therefore, the document only applies to the stated Transmission Operators and does not apply to Path Operators.

Neither the TOP's predecessor document, TOP-STD-007-0, Operating Transfer Capability, nor TOP-007-WECC-1, System Operating Limits, lists the Path Operator as an applicable entity. Both list the Transmission Operator. Even though TOP-STD-007-0 referred to an Operating Agent in the column header of its Attachment A, that reference did not impose a task or responsibility on a Path Operator nor did its reference change the applicability of the document to any entity other than the Transmission Operator.

During the development of TOP-STD-007-0, the drafting team acknowledged that certain tasks were generally being performed by Path Operators; however, the Procedures prohibited assigning tasks to a Path Operator because the Path Operator is not “included in the NERC Functional Model.”

V. CONCLUSION

For the reasons set forth above, NERC respectfully requests that the Commission approve the proposed Interpretation of regional Reliability Standard TOP-007-WECC-1 and associated elements included in **Exhibit A**, effective as proposed herein.

Respectfully submitted,

/s/ Brady A. Walker

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Date: March 12, 2014

Exhibit A

Proposed Interpretation for TOP-007-WECC-1a

WECC Standard TOP-007-WECC-1a – System Operating Limits

WECC Standard TOP-007-WECC-1 – System Operating Limits

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A. Introduction

- 1. Title:** System Operating Limits
- 2. Number:** TOP-007-WECC-1_a
- 3. Purpose:** When actual flows on Major WECC Transfer Paths exceed System Operating Limits (SOL), their associated schedules and actual flows are not exceeded for longer than a specified time.
- 4. Applicability**
 - 4.1.** Transmission Operators for the transmission paths in the most current Table titled “Major WECC Transfer Paths in the Bulk Electric System” provided at: <http://www.wecc.biz/Standards/Approved%20Standards/Supporting%20Tables/Table%20Major%20Paths%204-28-08.pdf>.
- 5. Effective Date:** On the first day of the first quarter, after applicable regulatory approval.

B. Requirements

- R1.** When the actual power flow exceeds an SOL for a Transmission path, the Transmission Operators shall take immediate action to reduce the actual power flow across the path such that at no time shall the power flow for the Transmission path exceed the SOL for more than 30 minutes. *[Violation Risk Factor: Medium] [Time Horizon: Real-time Operations]*
- R2.** The Transmission Operator shall not have the Net Scheduled Interchange for power flow over an interconnection or Transmission path above the path’s SOL when the Transmission Operator implements its real-time schedules for the next hour. For paths internal to a Transmission Operator Area that are not scheduled, this requirement does not apply. *[Violation Risk Factor: Low] [Time Horizon: Real-time Operations]*
 - R2.1.** If the path SOL decreases within 20 minutes before the start of the hour, the Transmission Operator shall adjust the Net Scheduled Interchange within 30 minutes to the new SOL value. Net Scheduled Interchange exceeding the new SOL during this 30-minute period will not be a violation of R2.

C. Measures

- M1.** Evidence that actual power flow has not exceeded the SOL for the specified time limit in R1.
- M2.** Evidence that Net Scheduled Interchange has not exceeded the SOL when the Transmission Operator implements real-time schedules as required by R2.
 - M2.1.** Evidence that Net Scheduled Interchange was at or below the new SOL within 30-minutes of when the SOL decreased.

D. Compliance

1. Compliance Monitoring Process

WECC Standard TOP-007-WECC-1a – System Operating Limits

1.1 Compliance Monitoring Responsibility

Compliance Enforcement Authority

1.2 Compliance Monitoring Period

Compliance Enforcement Authority may use one or more of the following methods to assess compliance:

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Page 2 of 10

WECC Standard-TOP-007-WECC-1a – System Operating Limits

WECC Standard-TOP-007-WECC-1 – System Operating Limits

- Self-report for each incident within three-business days
- Self-report quarterly
- Spot check audits conducted anytime with 30 days notice given to prepare
- Periodic audit as scheduled by the Compliance Enforcement Authority
- Investigations
- Other methods as provided for in the Compliance Monitoring Enforcement Program

Reset Period: One calendar month.

1.3 Data Retention

The Transmission Operators shall keep evidence for Measure M1 through M2 for three years plus current, or since the last audit, whichever is longer.

1.4 Additional Compliance Information

2. Violation Severity Levels

For Requirement R1:

- 2.1. **Lower:** There shall be a Lower Level of non-compliance for Transmission Operators as set forth in the table in Attachment 1– TOP-007-WECC-1.
- 2.2. **Moderate:** There shall be a Moderate Level of non-compliance for Transmission Operators as set forth in the table in Attachment 1– TOP-007-WECC-1.
- 2.3. **High:** There shall be a High Level of non-compliance for Transmission Operators as set forth in the table in Attachment 1– TOP-007-WECC-1.
- 2.4. **Severe:** There shall be a Severe Level of non-compliance for Transmission Operators as set forth in the table in Attachment 1– TOP-007-WECC-1.

For Requirement R2:

- 2.1. **Lower:** There shall be a Lower Level of non-compliance for Transmission Operators when the net schedule for power flow over an interconnection or Transmission path is above the path's SOL but is less than or equal to 105% of the path's SOL.
- 2.2. **Moderate:** There shall be a Moderate Level of non-compliance for Transmission Operators when the net schedule for power flow over an interconnection or Transmission path is above 105% of the path's SOL but less than or equal to 110% of the path's SOL.
- 2.3. **High:** There shall be a High Level of non-compliance for Transmission Operators when the net schedule for power flow over an interconnection or Transmission path is above 110% of the path's SOL.

- 2.4 **Severe:** None

E. Associated Documents

1. Attachment 1 – TOP-007-WECC-1 Violation Severity Level Table

2. Attachment 2 – TOP-007-WECC-1 Interpretation of Applicability for Requirement R1

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Version History – Shows Approval History and Summary of Changes in the Action Field

Version	Date	Action	Change Tracking
1	April 16, 2008	Permanent Replacement Standard for TOP- STD-007-0	
1	October 29, 2008	Adopted by the Board of Trustees	
1	April 21, 2011	Order issued by FERC approving TOP-007- WECC-1 (approval effective June 27, 2011)	
1	June 10, 2013	Modified the VRF for Requirement R1 from “Medium” to “High” and the VRF for Requirement R2 from “Low” to “Medium”	
<u>1a</u>	<u>December 5, 2013</u>	<u>WECC Board Approved Interpretation added addressing Applicable Entities for requirement R1</u>	

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WECC Standard TOP-007-WECC-1 – System Operating Limits

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Attachment 1 – TOP-007-WECC-1

Violation Severity Level Table

Percentage by which SOL is exceeded*	Limit exceeded for more than 30 minutes, up to 35 minutes	Limit exceeded for more than 35 minutes, up to 40 minutes	Limit exceeded for more than 40 minutes, up to 45 minutes	Limit exceeded for more than 45 minutes
greater than 0%, up to and including 5%	Lower	Moderate	Moderate	High
greater than 5%, up to and including 10%	Moderate	Moderate	High	High
greater than 10%, up to and including 15%	Moderate	High	High	Severe
greater than 15%, up to and including 20%	High	High	Severe	Severe
greater than 20%, up to and including 25%	High	Severe	Severe	Severe
greater than 25%	Severe	Severe	Severe	Severe

* Measured after 30 continuous minutes of actual flows in excess of SOL.

WECC Standard-TOP-007-WECC-1a – System Operating Limits

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WECC Standard-TOP-007-WECC-1a – System Operating Limits

Attachment 2 – Interpretation of Applicability for Requirement R1

Procedure

Pursuant to the “Interpretation of Regional Standards and Regional Criteria,” section of the Reliability Standards Development Procedures, any entity may request an interpretation of a WECC Regional Standard (Standard). An interpretation is limited to clarifying existing requirements in approved Standards and may not be developed to expand upon a requirement or provide guidance on how to apply a requirement.

On February 8, 2013, Arizona Public Service (APS) filed WECC-0010 Request for Interpretation (Request). The Request is specific to TOP-007-WECC-1, System Operating Limits: Requirement R1. The WECC Standards Committee assigned the original TOP-007-WECC-1 Drafting Team to complete the interpretation, to the extent they were available to serve.

Scope of the Interpretation

The Request is specific to the TOP-007-WECC-1, System Operating Limits, Applicability section and Requirement R1 that reads:

A. Introduction

4. Applicability

4.1. Transmission Operators for the transmission paths in the most current Table titled “Major WECC Transfer Paths in the Bulk Electric System” provided at [location].

B. Requirements

R1. When the actual power flow exceeds an SOL for a Transmission path, the Transmission Operators shall take immediate action to reduce the actual power flow across the path such that at no time shall the power flow for the Transmission path exceed the SOL for more than 30 minutes.

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WECC Standard-TOP-007-WECC-1a – System Operating Limits

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Material Impact

APS is a Transmission Operator for certain transmission facilities within Path 49 and other designated WECC paths. There are several other Transmission Operators with facilities within Path 49. Lack of clarity on the roles of path operators and Transmission Operators has and could again adversely impact APS and/or regional reliability.

Interpretation Requested

APS asks for clarification that the Requirement R1 applies “to Transmission Operators, as defined in the NERC Glossary of Terms, and not to the *path operators* who have no compliance responsibilities under TOP-007-WECC-1 (TOP), other than any responsibilities they may have as a Transmission Operator for facilities in their respective Transmission Operator Areas.” (Emphasis added.)

Interpretation Provided

APS’ Request is governed by the Procedures, Step 3 – Drafting Team Begins Drafting Phase and Submits Draft Standard to WSC, at page 6, stating:

“All WECC Standards will follow a standard format that refers to the *“Responsible Entities” included in the NERC Functional Model* and includes compliance measures according to the WECC standard template.” (Emphasis added.)

The NERC Functional Model 4, in effect at the time the standard was drafted, did not include Path Operators as an approved applicable entity; therefore, the document only applies to the stated Transmission Operators and does not apply to Path Operators.

Neither the TOP’s predecessor document, *TOP-STD-007-0, Operating Transfer Capability*, nor *TOP-007-WECC-1, System Operating Limits*, lists the Path Operator as an applicable entity. Both list the Transmission Operator. Even though TOP-STD-007-0 referred to an Operating Agent in the column header of its Attachment A, that reference did not impose a task or responsibility on a Path Operator nor did its reference change the applicability of the document to any entity other than the Transmission Operator.

During the development of TOP-STD-007-0, the drafting team acknowledged that certain tasks were generally being performed by Path Operators; however, the Procedures prohibited assigning tasks to a Path Operator because the Path Operator is not “included in the NERC Functional Model.”

To the extent an interpretation seeks guidance on how to implement a document, the Procedures state, “An interpretation is limited to clarifying existing requirements in approved Standards. Interpretations may not be developed that expand upon a requirement or that provide guidance on how to apply a requirement.” (Emphasis added.) Procedures; “Interpretation of Regional Standards and Regional Criteria.”

WECC Standard-TOP-007-WECC-1a – System Operating Limits

This interpretation is appealable under the Procedures, Step 8, Appeal Process.
Page 3 of 3

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Exhibit B

Request for Interpretation of TOP-007-WECC-1a

**Regional Reliability Standard Submittal Request
Interpretation**

Region:	Western Electricity Coordinating Council
Regional Standard Number:	TOP-007-WECC-1a
Regional Standard Title:	System Operating Limits
Date Submitted:	January 7, 2014
Regional Contact Name:	Steven L. Rueckert
Regional Contact Title:	Director of Standards
Regional Contact Telephone Number:	(801) 883-6878

Request (check all that apply):

- Approval of a new standard
- Revision of an existing standard
- Withdrawal of an existing standard
- Urgent Action
- Interpretation of an existing standard

Has this action been approved by your Board of Directors:

- Yes
- No

(If no please indicate date standard action is expected along with the current status (e.g., third comment period with anticipated board approval on mm/dd/year)):

WECC Board of Directors Approval: December 5, 2013

B. *Resolved*, That the WECC Board of Directors approves the interpretation of TOP-007-WECC-1a, as recommended by the WECC Standards Committee.

[Note: The purpose of the remaining questions is to provide NERC with the information needed to file the regional standard(s) with FERC. The information

provided may to a large degree be used verbatim. It is extremely important for the entity submitting this form to provide sufficient detail that clearly delineates the scope and justification of the request.]

Concise statement of the basis and purpose (scope) of request:

Procedure

Pursuant to the “Interpretation of Regional Standards and Regional Criteria,” section of the *Reliability Standards Development Procedures*, any entity may request an interpretation of a WECC Regional Standard (Standard). An interpretation is limited to clarifying existing requirements in approved Standards and may not be developed to expand upon a requirement or provide guidance on how to apply a requirement.

On February 8, 2013, Arizona Public Service (APS) filed [WECC-0010 Request for Interpretation](#) (Request). The Request is specific to TOP-007-WECC-1, System Operating Limits; Requirement R1.

The WECC Standards Committee assigned the original TOP-007-WECC-1 Drafting Team to complete the interpretation, to the extent they were available to serve.

Scope of the Interpretation

The Request is specific to the TOP-007-WECC-1, System Operating Limits, Applicability section and Requirement R1 that reads:

- A. Introduction
 - 4. Applicability
 - 4.1. Transmission Operators for the transmission paths in the most current Table titled “Major WECC Transfer Paths in the Bulk Electric System” provided at [location].
- B. Requirements
 - R1. When the actual power flow exceeds an SOL for a Transmission path, the Transmission Operators shall take immediate action to reduce the actual power flow across the path such that at no time shall the power flow for the Transmission path exceed the SOL for more than 30 minutes.

	<p>Interpretation Requested</p> <p>APS asks for clarification that the Requirement R1 applies “to Transmission Operators...and not to the <i>path operators</i> who have no compliance responsibilities under TOP-007-WECC-1 (TOP), other than any responsibilities they may have as a Transmission Operator for facilities in their respective Transmission Operator Areas.” (Emphasis added.)</p>
<p>Concise statement of the justification of the request:</p>	<p>Material Impact</p> <p>APS is a Transmission Operator for certain transmission facilities within Path 49 and other designated WECC paths. There are several other Transmission Operators with facilities within Path 49. Lack of clarity on the roles of path operators and Transmission Operators has and could again adversely impact APS and/or regional reliability.</p> <p>Interpretation Requested</p> <p>APS asks for clarification that the Requirement R1 applies “to Transmission Operators...and not to the <i>path operators</i> who have no compliance responsibilities under TOP-007-WECC-1 (TOP), other than any responsibilities they may have as a Transmission Operator for facilities in their respective Transmission Operator Areas.” (Emphasis added.)</p> <p>Synoptic Response</p> <p>The standard only applies to Transmission Operators and not to path operators.</p>

Exhibit C

Consideration of Comments

Consideration of Comments

Interpretation of Regional Reliability Standard TOP-007-WECC-1

NERC thanks all commenters who submitted comments on the Interpretation of Regional Reliability Standard TOP-007-WECC-1. The interpretation was posted for a 45-day comment period from September 13, 2013 through October 29, 2013. Stakeholders were asked to provide feedback on the interpretation and associated documents through a special electronic comment form. There were 4 sets of responses, representing 5 of the 10 of the Industry Segments as shown in the table on the page 3 of this report.

All comments submitted may be reviewed in their original format on the [regional standards development page](#).

If you feel that your comment has been overlooked, please let us know immediately. Our goal is to give every comment serious consideration in this process! If you feel there has been an error or omission, you can contact the Vice President and Director of Standards, Mark Lauby, at 404-446-2560 or at mark.lauby@nerc.net. In addition, there is a NERC Reliability Standards Appeals Process.¹

¹ The appeals process is in the Standard Processes Manual: http://www.nerc.com/comm/SC/Documents/Appendix_3A_StandardsProcessesManual.pdf

Index to Questions, Comments, and Responses

1. Do you agree the proposed interpretation was developed in a fair and open process, using the WECC Process for Developing and Approving WECC Standards? 4

2. Does the proposed interpretation pose an adverse impact to reliability or commerce in a neighboring region or interconnection?..... 7

3. Does the proposed interpretation pose a serious and substantial threat to public health, safety, welfare, or national security? 8

4. Does the proposed interpretation pose a serious and substantial burden on competitive markets within the interconnection that is not necessary for reliability? 9

The Industry Segments are:

- 1 — Transmission Owners
- 2 — RTOs, ISOs
- 3 — Load-serving Entities
- 4 — Transmission-dependent Utilities
- 5 — Electric Generators
- 6 — Electricity Brokers, Aggregators, and Marketers
- 7 — Large Electricity End Users
- 8 — Small Electricity End Users
- 9 — Federal, State, Provincial Regulatory or other Government Entities
- 10 — Regional Reliability Organizations, Regional Entities

Group/Individual		Commenter	Organization	Registered Ballot Body Segment									
				1	2	3	4	5	6	7	8	9	10
1.	Individual	Kelly Cumiskey	PacifiCorp	X		X		X	X				
2.	Individual	Alice Ireland	Xcel Energy	X		X		X	X				
3.	Individual	Dave Willis	Idaho Power Co.	X									
4.	Individual	Chris Mattson	Tacoma Power	X		X	X	X	X				

1. Do you agree the proposed interpretation was developed in a fair and open process, using the WECC Process for Developing and Approving WECC Standards?

Summary Consideration:

Organization	Yes or No	Question 1 Comment
Xcel Energy	Yes	<p>PSCo agrees that the process was fair and open. However, PSCo believes that the proposed interpretation goes beyond the allowed limits of an interpretation. PSCo commented in the WECC ballot that based on the current paradigm of path operator’s roles and operations in WECC, the Interpretation would in fact expand the scope of responsibility from the TOP who is the Path Operator to all TOPs who have a share of a Path. This interpretation essential negates the role/responsibility of the path operator and implies that the RC would have to now contact all TOPs with shares of the path and coordinate mitigating actions with all TOPs sharing in the path. Additionally, it is not clear what responsibilities and liabilities a TOP of an element on an overloaded path would have if their scheduled flows were zero or not over their allocated amount and none of their facilities in the path were overloaded. The issue is being worked on by a WECC Task Force of experts from the industry. The WECC Path Operator Task Force is addressing the preceding issues and we look forward to their recommendations. We feel that developing the Path Operator as part of the NERC Functional Model is the best long term approach. Approving the proposed interpretation will complicate matters as cited above and will do little if anything to solve the issues.</p>

Response:

Pursuant the Reliability Standards Development Procedures, (Procedures) “An interpretation is limited to clarifying existing requirements in approved Standards. Interpretations may not be developed that expand upon a requirement or that provide guidance on how to apply a requirement.” Interpretation of Regional Standards and Regional Criteria, page

Organization	Yes or No	Question 1 Comment
		<p>12.</p> <p>The sole question posed in the Request for Interpretation was to identify the entity to which the document applied. The Interpretation Drafting Team answered that singular question without further narrative and does not opine on the validity of the Xcel / PSCo comment. To do so would opine on: 1) the role and assigned tasks of the Path Operator (an entity not recognized in the NERC Functional Model), 2) implementation by the Reliability Coordinator of tasks not explicitly listed in the document, and 3) clarification of the responsibilities and liabilities of the Transmission Operator – none of which were requested in the Interpretation.</p> <p>The Interpretation Drafting team encourages Xcel / PSCo to continue its involvement in the WECC Path Operator Task Force in its efforts to address its identified issues.</p>
PacifiCorp	Yes	
Idaho Power Co.	Yes	
Tacoma Power	Yes	

2. Does the proposed interpretation pose an adverse impact to reliability or commerce in a neighboring region or interconnection?**Summary Consideration:**

Organization	Yes or No	Question 2 Comment
PacifiCorp	No	
Xcel Energy	No	
Idaho Power Co.	No	
Tacoma Power	No	

3. Does the proposed interpretation pose a serious and substantial threat to public health, safety, welfare, or national security?

Summary Consideration:

Organization	Yes or No	Question 3 Comment
PacifiCorp	No	
Xcel Energy	No	
Idaho Power Co.	No	
Tacoma Power	No	

4. Does the proposed interpretation pose a serious and substantial burden on competitive markets within the interconnection that is not necessary for reliability?

Summary Consideration:

Organization	Yes or No	Question 4 Comment
PacifiCorp	No	
Xcel Energy	No	
Idaho Power Co.	No	
Tacoma Power	No	

END OF REPORT

Exhibit D

Summary of Development History and Complete Record of Development

Exhibit D—Summary of the Interpretation Development Proceedings and Complete Record of Development of proposed Interpretation TOP-007-WECC-1a

The development record for proposed Interpretation TOP-007-WECC-1a is summarized below.

I. Overview of the Standard Drafting Team

For this project, the standard drafting team consisted of industry experts, all with a diverse set of experiences. A roster of the team members is included in **Exhibit E**.

II. Interpretation Development History

A. Standard Authorization Request Development

A Request for Interpretation was filed on February 8, 2013.

B. Posting

The proposed Interpretation was posted for a 45-day public comment period from September 13, 2013 through October 29, 2013. There were 4 sets of responses representing five of 10 industry segments.

The standard drafting team considered stakeholder comments and made no changes to the proposed Interpretation.

C. Ballot

The proposed Interpretation was posted for a ballot period from September 16, 2013 through October 8, 2013. The proposed Interpretation received a quorum of 86% and an approval rating of 89.1%.

D. WECC Board Approval

The proposed Interpretation was approved by the WECC Board on December 5, 2013.

E. Board of Trustees Approval

The proposed Interpretation was approved by the NERC Board of Trustees on February 6, 2014.

Complete Record of Development

Regional Reliability Standards Under Development

Regional Reliability Standards - Under Development				
Standard No.	Title	Regional Status	Dates	NERC Status
	MRO Regional Reliability Standards Process Manual	MRO Board Approved - June 28, 2012	8/28/2012 - 10/11/2012	Info Submit Comments Comment Form MRO Regional Reliability Standards Process Manual (Clean) MRO Regional Reliability Standards Process Manual (Redlined) Comments Received Consideration of Comments MRO Regional Reliability Standards Process Manual (Redlined in response to comments)
Northeast Power Coordinating Council (NPCC)				
BAL-002-NPCC-01	Regional Reserve Sharing Groups	Standard Under Development	10/12/2011-11/10/2011	

				Solicitation for Drafting Team Members NPCCDT Self-Nomination Form
	NPCC Regional Standards Process Manual		06/06/13 - 07/22/13	Info Submit Comments Comment Form NPCC Regional Standards Process Manual (Clean) NPCC Regional Standards Process Manual (Redlined)
PRC-002-NPCC-02 RSAR	Disturbance Monitoring	RSAR Approved	2/20/13	Monitoring the Development of PRC-002-NPCC-02 Regional Standard Authorization Request (RSAR)
PRC-012-NPCC-01	Special Protection Systems	Standard Development on Hold	8/2/2011	Monitoring the development of Project 2010-05.2
Reliability First Corporation (RFC)				
SERC Reliability Corporation (SERC)				

Southwest Power Pool, Inc. (SPP)

	SPP RE Regional Standards Development Process Manual	NERC Board Approved November 7, 2013	06/26/13 - 08/09/13	<p>Info</p> <p>Submit Comments</p> <p>Unofficial Comment Form (Word)</p> <p>SPP RE Regional Standards Process Manual (Clean)</p> <p>SPP RE Regional Standards Process Manual (Redlined)</p> <p>Comments Received</p> <p>Consideration of Comments</p>
PRC-006-SPP-01	Automatic Underfrequency Load Shedding	NERC Board Adopted November 7, 2012	<p>8/15/2012 - 9/28/2012</p> <p>9/24/2009</p>	<p>Info</p> <p>Submit Comments</p> <p>Comment Form</p> <p>PRC-006-SPP-01</p> <p>Implementation Plan</p> <p>Consideration of Comments</p> <p>Monitoring Regional Progress</p>

Texas Reliability Entity (TRE)

BAL-001-TRE-01	Primary Frequency Response in the ERCOT Region	NERC Board Adopted August 15, 2013	5/31/2013 - 7/15/2013	<p>Info</p> <p>Submit Comments</p> <p>Unofficial Comment Form (Word Version)</p> <p>BAL-001-TRE-1</p> <p>Implementation Plan</p> <p>Reference Document</p> <p>Initial Primary Frequency Response Methodology (Att A)</p> <p>Sustained Primary Frequency Response Methodology (Att B)</p> <p>Comments Received</p> <p>Consideration of Comments</p>
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Western Electricity Coordinating Council (WECC)

<p>TOP-007-WECC-1 Interpretation</p>	<p>System Operating Limits</p>	<p>Approved by WECC Board December 5, 2013. Pending Board Adoption.</p>		<p>Info (1)</p> <p>Submit Comments</p> <p>Comment Form (2)</p> <p>TOP-007-WECC-1 (3)</p> <p>Request for Interpretation of TOP-007-WECC-1 (4)</p> <p>Interpretation of TOP-007-WECC-1 (5)</p> <p>Comments Received (6)</p>
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BAL-001-0.1a WECC Variance	Real Power Balancing Control Performance	Standard Under Development	1/23/2012 - 3/9/2012	Info Submit Comments Comment Form BAL-001-1 (clean) BAL-001-1 (redlined) Comments Received Consideration of Comments
BAL-002-WECC-2	Contingency Reserves (Order 740 Remand)	NERC Board Adopted November 7, 2012	1/6/2012 -2/20/2012	Info Submit Comments Comment Form BAL-002-WECC-2 (clean) BAL-002-WECC-2 (redlined) Implementation Plan Comments Received Consideration of Comments
BAL-004-WECC-02	Automatic Time Error Correction	NERC Board Approved December 19, 2012	1/23/2012 - 3/9/2012	Info Submit Comments

				<p>Comment Form</p> <p>BAL-004-WECC-02 (clean)</p> <p>BAL-004-WECC-02 (redlined)</p> <p>Comments Received</p> <p>Consideration of Comments</p>
IRO-006-WECC-02	<p>Qualified Transfer Path Unscheduled Flow (USF) Relief</p>	<p>Standard Under Development</p>	<p>10/3/2012 - 11/16/2012</p>	<p>Info</p> <p>Submit Comments</p> <p>Comment Form</p> <p>IRO-006-WECC-2 (Clean)</p> <p>IRO-006-WECC-2 (redlined to last approved)</p> <p>Comments Received</p> <p>Consideration of Comments</p>

Standards Announcement

Interpretation for TOP-007-WECC-1

Comment Period: September 13, 2013 – October 29, 2013

[Now Available](#)

A 45-day comment period for an interpretation of **TOP-007-WECC-1** is open through **8 p.m. Eastern on Tuesday, October 29, 2013.**

Background

On February 8, 2013, Arizona Public Service (APS) filed WECC-0010 Request for Interpretation (Request) with Western Electricity Coordinating Council (WECC). The Request is specific to TOP-007-WECC-1, System Operating Limits; Requirement R1. TOP-007-WECC-1 is a Regional Reliability Standard that is applicable only in the Western Interconnection. The WECC Standards Committee assigned the original TOP-007-WECC-1 Drafting Team to prepare the interpretation.

The approval process for a Regional Reliability Standard requires NERC to publicly notice and request comment on the proposed Standard. Similar criteria are used for proposed Interpretations of Regional Reliability Standards.

Instructions for Commenting

A comment period is open through **8 p.m. Eastern on Tuesday, October 29, 2013.** Please use the [electronic form](#) to submit comments. If you experience any difficulties in using the electronic form, please contact [Wendy Muller](#). An off-line, unofficial copy of the comment form is posted on the [project page](#).

Regional Reliability Standards Development Process

Section 300 of the [Rules of Procedure for the Electric Reliability Organization](#) governs the regional reliability standards development process. The success of the NERC standards development process depends on stakeholder participation. We extend our thanks to all those who participate.

*For more information or assistance, please contact Wendy Muller,
Standards Development Administrator, at wendy.muller@nerc.net or at 404-446-2560.*

North American Electric Reliability Corporation
3353 Peachtree Rd, NE
Suite 600, North Tower
Atlanta, GA 30326
404-446-2560 | www.nerc.com

Unofficial Comment Form

Interpretation of Regional Reliability Standard TOP-007-WECC-1

Please **DO NOT** use this form. Please use the [electronic form](#) to submit comments on the Interpretation of Regional Reliability Standard TOP-007-WECC-1. Comments must be submitted by **October 29, 2013**. If you have questions please contact Howard Gugel at howard.gugel@nerc.net or Stephen Eldridge at stephen.eldridge@nerc.net.

<http://www.nerc.com/pa/Stand/Pages/RegionalReliabilityStandardsUnderDevelopment.aspx>

Background Information

On February 8, 2013, Arizona Public Service (APS) filed WECC-0010 Request for Interpretation (Request) with Western Electricity Coordinating Council (WECC). The Request is specific to TOP-007-WECC-1, System Operating Limits; Requirement R1. TOP-007-WECC-1 is a Regional Reliability Standard that is applicable only in the Western Interconnection. The WECC Standards Committee assigned the original TOP-007-WECC-1 Drafting Team to prepare the interpretation.

The approval process for a Regional Reliability Standard requires NERC to publicly notice and request comment on the proposed Standard. Similar criteria are used for proposed Interpretations of Regional Reliability Standards. Comments are only solicited on the following criteria (technical aspects of the Interpretation are vetted through the applicable regional standards development process):

Unfair or Closed Process — The Regional Reliability Standard was not developed in a fair and open process that provided an opportunity for all interested parties to participate. Although a NERC-approved Regional Reliability Standards development procedure shall be presumed to be fair and open, objections could be raised regarding the implementation of the procedure.

Adverse Reliability or Commercial Impact on Other Interconnections — The Regional Reliability Standard would have a significant adverse impact on reliability or commerce in other interconnections.

Deficient Standard — The Regional Reliability Standard fails to provide a level of reliability of the bulk power system such that the Regional Reliability Standard would be likely to cause a serious and substantial threat to public health, safety, welfare, or national security.

Adverse Impact on Competitive Markets within the Interconnection — The Regional Reliability Standard would create a serious and substantial burden on competitive markets within the interconnection that is not necessary for reliability.

Questions

You do not have to answer all questions. Enter comments in simple text format. Bullets, numbers, and special formatting will not be retained.

1. **Do you agree the proposed interpretation was developed in a fair and open process, using the WECC Process for Developing and Approving WECC Standards?**

Yes

No

Comments:

2. **Does the proposed interpretation pose an adverse impact to reliability or commerce in a neighboring region or interconnection?**

Yes

No

Comments:

3. **Does the proposed interpretation pose a serious and substantial threat to public health, safety, welfare, or national security?**

Yes

No

Comments:

4. **Does the proposed interpretation pose a serious and substantial burden on competitive markets within the interconnection that is not necessary for reliability?**

Yes

No

Comments:

A. Introduction

- 1. Title:** System Operating Limits
- 2. Number:** TOP-007-WECC-1
- 3. Purpose:** When actual flows on Major WECC Transfer Paths exceed System Operating Limits (SOL), their associated schedules and actual flows are not exceeded for longer than a specified time.
- 4. Applicability**
 - 4.1.** Transmission Operators for the transmission paths in the most current Table titled “Major WECC Transfer Paths in the Bulk Electric System” provided at:
<http://www.wecc.biz/Standards/Approved%20Standards/Supporting%20Tables/able%20Major%20Paths%204-28-08.pdf>
- 5. Effective Date:** On the first day of the first quarter, after applicable regulatory approval.

B. Requirements

- R1.** When the actual power flow exceeds an SOL for a Transmission path, the Transmission Operators shall take immediate action to reduce the actual power flow across the path such that at no time shall the power flow for the Transmission path exceed the SOL for more than 30 minutes. *[Violation Risk Factor: Medium] [Time Horizon: Real-time Operations]*
- R2.** The Transmission Operator shall not have the Net Scheduled Interchange for power flow over an interconnection or Transmission path above the path’s SOL when the Transmission Operator implements its real-time schedules for the next hour. For paths internal to a Transmission Operator Area that are not scheduled, this requirement does not apply. *[Violation Risk Factor: Low] [Time Horizon: Real-time Operations]*
 - R2.1.** If the path SOL decreases within 20 minutes before the start of the hour, the Transmission Operator shall adjust the Net Scheduled Interchange within 30 minutes to the new SOL value. Net Scheduled Interchange exceeding the new SOL during this 30-minute period will not be a violation of R2.

C. Measures

- M1.** Evidence that actual power flow has not exceeded the SOL for the specified time limit in R1.
- M2.** Evidence that Net Scheduled Interchange has not exceeded the SOL when the Transmission Operator implements real-time schedules as required by R2.
 - M2.1.** Evidence that Net Scheduled Interchange was at or below the new SOL within 30-minutes of when the SOL decreased.

D. Compliance

- 1. Compliance Monitoring Process**
 - 1.1 Compliance Monitoring Responsibility**

Compliance Enforcement Authority
 - 1.2 Compliance Monitoring Period**

Compliance Enforcement Authority may use one or more of the following methods to assess compliance:

- Self-report for each incident within three-business day
- Self-report quarterly
- Spot check audits conducted anytime with 30 days notice given to prepare
- Periodic audit as scheduled by the Compliance Enforcement Authority
- Investigations
- Other methods as provided for in the Compliance Monitoring Enforcement Program

Reset Period: One calendar month.

1.3 Data Retention

The Transmission Operators shall keep evidence for Measure M.1 through M2 for three years plus current, or since the last audit, whichever is longer.

1.4 Additional Compliance Information

2. Violation Severity Levels

For Requirement R1:

- 2.1. Lower:** There shall be a Lower Level of non-compliance for Transmission Operators as set forth in the table in Attachment 1– TOP-007-WECC-1.
- 2.2. Moderate:** There shall be a Moderate Level of non-compliance for Transmission Operators as set forth in the table in Attachment 1– TOP-007-WECC-1.
- 2.3. High:** There shall be a High Level of non-compliance for Transmission Operators as set forth in the table in Attachment 1– TOP-007-WECC-1.
- 2.4. Severe:** There shall be a Severe Level of non-compliance for Transmission Operators as set forth in the table in Attachment 1– TOP-007-WECC-1.

For Requirement R2:

- 2.1. Lower:** There shall be a Lower Level of non-compliance for Transmission Operators when the net schedule for power flow over an interconnection or Transmission path is above the path’s SOL but is less than or equal to 105% of the path’s SOL.
- 2.2. Moderate:** There shall be a Moderate Level of non-compliance for Transmission Operators when the net schedule for power flow over an interconnection or Transmission path is above 105% of the path’s SOL but less than or equal to 110% of the path’s SOL.
- 2.3. High:** There shall be a High Level of non-compliance for Transmission Operators when the net schedule for power flow over an interconnection or Transmission path is above 110% of the path’s SOL.
- 2.4 Severe:** None

Version History — Shows Approval History and Summary of Changes in the Action Field

Version	Date	Action	Change Tracking
1	April 16, 2008	Permanent Replacement Standard for TOP-STD-007-0	

WECC Standard TOP-007-WECC-1 — System Operating Limits

1	April 21, 2011	Order issued by FERC approving TOP-007-WECC-1 (approval effective June 27, 2011)	
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Attachment 1 — TOP-007-WECC-1

Violation Severity Level Table

Percentage by which SOL is exceeded*	Limit exceeded for more than 30 minutes, up to 35 minutes	Limit exceeded for more than 35 minutes, up to 40 minutes	Limit exceeded for more than 40 minutes, up to 45 minutes	Limit exceeded for more than 45 minutes
greater than 0%, up to and including 5%	Lower	Moderate	Moderate	High
greater than 5%, up to and including 10%	Moderate	Moderate	High	High
greater than 10%, up to and including 15%	Moderate	High	High	Severe
greater than 15%, up to and including 20%	High	High	Severe	Severe
greater than 20%, up to and including 25%	High	Severe	Severe	Severe
greater than 25%	Severe	Severe	Severe	Severe

* Measured after 30 continuous minutes of actual flows in excess of SOL.



This form is for drafting purposes only. Do not send this form to WECC. A WECC Request for Interpretation of a Regional Reliability Standard or Criterion will only be accepted via the online form found on the WECC Standards Under Development Page: <http://www.wecc.biz/Standards/Development/Pages/default.aspx>

If you have questions, contact W. Shannon Black, WECC Manager of Standards Processes at sblack@wecc.biz.

An interpretation is limited to clarifying existing requirements in approved documents and cannot be used to create or change a Regional Reliability Standard or Criterion.

<i>Request for an Interpretation</i> <i>WECC Regional Reliability Standard or Criterion</i>	
Contact information for person requesting the interpretation:	
First Name:	Jana
Last Name:	Van Ness
E-mail:	Jana.VanNess@aps.com
Telephone:	602-250-2310
FAX:	602-250-2873
Organization:	Arizona Public Service (APS/AZPS)
Alternative Contact:	Janet Smith
Identify the WECC Regional Reliability Standard or Criterion that needs clarification:	
WECC Regional Reliability Standard/Criterion Number (including version number): TOP-007-WECC-1 (Identified as TOP-STD-007-0 WR1 in the Settlement Agreement – simply pointing out)	
(Example: PRC-STD-001-1 or INT-001-WECC-CRT-2)	
WECC Regional Reliability Standards/Criterion Title: System Operating Limits	
Identify specifically what requirement needs clarification: Requirement R1	
Requirement Number and Text of Requirement: R1. When the actual power flow exceeds an SOL for a Transmission path, the Transmission Operators shall take immediate action to reduce the actual power flow across the path such that at no time shall the power flow for the Transmission path exceed the SOL for more than 30 minutes.	
What is the clarification needed? (Please state the issue and the clarification sought.)	
Clarification is needed that the requirement applies to Transmission Operators, as defined in the NERC Glossary of Terms, and not the path operators who have no compliance responsibilities under TOP-007-WECC-1, other than any responsibilities they may have as a Transmission Operator for facilities in their respective Transmission Operator Areas.	
In the WECC Region “path operators” historically were assigned to each WECC transfer path that is subject to TOP-007-	

Western Electricity Coordinating Council
155 North 400 West, Suite 200
Salt Lake City, UT 84103
(801) 582-0353



WECC-1. However, the WECC path operator function is not addressed or explained by NERC's *Functional Model* or the *Statement of Compliance Registry Criteria*, and TOP-007-WECC-1 by its express terms applies to Transmission Operators and makes no reference to path operators. To the extent path management requires coordination among multiple Transmission Operators or a wider area view that responsibility resides in the Reliability Coordinator.

The clarification is particularly necessary in situations where a path may involve multiple Transmission Operator Areas. A path operator has no recognized authority under the NERC functional model or under TOP-007-WECC. And even if the path operator is a Transmission Operator, it only has authority in its Transmission Operator Area and not in other Transmission Operator Areas that are part of the path, or over those Transmission Operators. There can be only a single Transmission Operator for a given Transmission facility. See section 501.1.4.3 of the NERC Rules of Procedure. To the extent a path operator is not the Transmission Operator over all facilities of the path, it has no ability to take or direct actions with regard to the path facilities in other Transmission Operator Areas or the path as a whole. That is why the requirement applies to Transmission Operators in the plural sense—each Transmission Operator has compliance responsibility under TOP-007-WECC-1 for its TOP facilities on the path and for its contribution to path loadings as a whole. The path operator, as such, has no authority or compliance responsibilities under TOP-007-WECC-1.

APS therefore, respectfully requests that WECC clarify that:

- each Transmission Operator with facilities in a path listed in the most current table of "Major WECC Transfer Paths in the Bulk Electric System" is independently responsible for taking immediate actions to reduce the actual power flow across its own facilities within the path when actual power flow exceeds the SOL for that path; and
- legacy "path operators" do not have obligations in their role as path operators under TOP-007-WECC-1; if a path operator is also a Transmission Operator of facilities in a path, that Transmission Operator has TOP-007-WECC-1 responsibilities as to the path facilities in its Transmission Operator Area, but does not have any additional TOP-007-WECC-1 responsibilities as to Transmission facilities outside its Transmission Operator Area.

Identify the material impact associated with this interpretation: The TOP-007-WECC-1 compliance responsibilities of Transmission Operators in circumstances where WECC path facilities are within multiple Transmission Operator Areas is unclear and is open to subjective interpretation, particularly given possible confusion regarding the roles and responsibilities of legacy path operators in those circumstances. This can lead to confusion regarding the authority (or lack thereof) and responsibility of Transmission Operators to take action to reduce flows on Transmission paths following an SOL exceedance, particularly on Transmission paths that are not within their Transmission Operator Area, potentially lengthening that exceedance.

Identify the material impact to your organization or others caused by the actual or potential lack of clarity, or an incorrect interpretation of this standard/criterion. APS is a Transmission Operator for certain transmission facilities within Path 49 and other designated WECC paths. There are several other Transmission Operators with facilities within Path 49. Lack of clarity on the roles of path operators and Transmission Operators has and could again adversely impact APS and/or regional reliability.

System Operating Limits
 WECC Regional Reliability Standard
 Interpretation
 TOP-007-WECC-1a



Document name	System Operating Limits TOP-007-WECC-1a Interpretation of WECC Standard
Category	<input checked="" type="checkbox"/> Regional Reliability Standard (Interpretation) <input type="checkbox"/> Regional Criteria <input type="checkbox"/> Policy <input type="checkbox"/> Guideline <input type="checkbox"/> Report or other <input type="checkbox"/> Charter
Document date	
Adopted/approved by	
Date adopted/approved	
Custodian (entity responsible for maintenance and upkeep)	Standards
Stored/filed	Physical location: Web URL:
Previous name/number	(if any)
Status	<input type="checkbox"/> in effect <input type="checkbox"/> usable, minor formatting/editing required <input type="checkbox"/> modification needed <input type="checkbox"/> superseded by _____ <input type="checkbox"/> other _Append to TOP-007-WECC-1. <input type="checkbox"/> obsolete/archived)

Version Control

Version	Date	Action	Change Tracking

System Operating Limits
WECC Regional Reliability Standard
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Project Roadmap

Action	Completed
WECC-0010 Filed	February 8, 2013
WSC assembles a DT (21 days)	March 13, 2013
DT meeting (inaugural)	April 11, 2013
WSC approves posting	April 18, 2013
Post for 30-day Comment (Open)	April 24, 2013
Post for 30-day Comment (Closed)	June 10, 2013
IDT responds (15 days)	June 10, 2013
WSC approves posting of Responses and opening a Ballot Pool	June 26, 2013
NERC requested to forward list of needed filing documents	July 19, 2013
Notice of Ballot Pool / Ballot Window	August 1, 2013
Open a Ballot Pool (see draft below)	August 5, 2013
Notice of Joint Session	August 1, 2013
Close the Ballot Pool	September 3, 2013
Hold Joint Session	September 5, 2013
Draft Letter and Notify NERC Interpretations of Regional Standards shall be submitted to NERC for processing with a request that the interpretation be adopted by the NERC Board of Trustees and then filed for approval with FERC and applicable Governmental Authorities in British Columbia, Alberta, and Mexico.	September 5, 2013
Open the Ballot	September 16, 2013
Close the Ballot	October 8, 2013
Results to WSC for Review / forward to Board	
Notice to Board (30 days out)	
Board Meeting	
Update the Standard; Append the Interpretation; change the Nomenclature. The interpretation will remain appended to the Standard until such time as the Standard is revised through the normal process incorporating the clarifications provided by the interpretation.	

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Procedure

Pursuant to the “Interpretation of Regional Standards and Regional Criteria,” section of the *Reliability Standards Development Procedures*, any entity may request an interpretation of a WECC Regional Standard (Standard). An interpretation is limited to clarifying existing requirements in approved Standards and may not be developed to expand upon a requirement or provide guidance on how to apply a requirement.

On February 8, 2013, Arizona Public Service (APS) filed [WECC-0010 Request for Interpretation](#) (Request). The Request is specific to TOP-007-WECC-1, System Operating Limits; Requirement R1. The WECC Standards Committee assigned the original TOP-007-WECC-1 Drafting Team to complete the interpretation, to the extent they were available to serve.

Scope of the Interpretation

The Request is specific to the TOP-007-WECC-1, System Operating Limits, Applicability section and Requirement R1 that reads:

A. Introduction

4. Applicability

- 4.1. Transmission Operators for the transmission paths in the most current Table titled “Major WECC Transfer Paths in the Bulk Electric System” provided at [location].

B. Requirements

- R1. When the actual power flow exceeds an SOL for a Transmission path, the Transmission Operators shall take immediate action to reduce the actual power flow across the path such that at no time shall the power flow for the Transmission path exceed the SOL for more than 30 minutes.

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Material Impact

APS is a Transmission Operator for certain transmission facilities within Path 49 and other designated WECC paths. There are several other Transmission Operators with facilities within Path 49. Lack of clarity on the roles of path operators and Transmission Operators has and could again adversely impact APS and/or regional reliability.

Interpretation Requested

APS asks for clarification that the Requirement R1 applies “to Transmission Operators, as defined in the NERC Glossary of Terms, and not to the *path operators* who have no compliance responsibilities under TOP-007-WECC-1 (TOP), other than any responsibilities they may have as a Transmission Operator for facilities in their respective Transmission Operator Areas.” (Emphasis added.)

Interpretation Provided

APS’ Request is governed by the Procedures, Step 3 – Drafting Team Begins Drafting Phase and Submits Draft Standard to WSC, at page 6, stating:

“All WECC Standards will follow a standard format that refers to the “*Responsible Entities*” included in the NERC Functional Model and includes compliance measures according to the WECC standard template.” (Emphasis added.)

The NERC Functional Model 4, in effect at the time the standard was drafted, did not include Path Operators as an approved applicable entity; therefore, the document only applies to the stated Transmission Operators and does not apply to Path Operators.

Neither the TOP’s predecessor document, *TOP-STD-007-0, Operating Transfer Capability*, nor *TOP-007-WECC-1, System Operating Limits*, lists the Path Operator as an applicable entity. Both list the Transmission Operator. Even though TOP-STD-007-0 referred to an Operating Agent in the column header of its Attachment A, that reference did not impose a task or responsibility on a Path Operator nor did its reference change the applicability of the document to any entity other than the Transmission Operator.

During the development of TOP-STD-007-0, the drafting team acknowledged that certain tasks were generally being performed by Path Operators; however, the Procedures prohibited assigning tasks to a Path Operator because the Path Operator is not “included in the NERC Functional Model.”

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To the extent an interpretation seeks guidance on how to implement a document, the Procedures state, “An interpretation is limited to clarifying existing requirements in approved Standards. Interpretations may not be developed that expand upon a requirement or that provide guidance on how to apply a requirement.” (Emphasis added.) Procedures; “Interpretation of Regional Standards and Regional Criteria.”

This interpretation is appealable under the Procedures, Step 8, Appeal Process.

System Operating Limits
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WECC-0010 Interpretation Drafting Team (IDT) Members¹

Steve Gillespie	CAISO
Stephanie Conn	WAPA
Rich Hydzik	Avista
Don Johnson	Portland General Electric
Brian Tuck	BPA
James Tucker	Deseret
Dede Subakti	CAISO

WECC Staff Support

Ken Wilson	WECC Staff
W. Shannon Black	WECC Staff

¹ Of the original team, Mr. Tom Isham, Mr. Jared Griffiths, and Mr. Gregory Van Pelt were not available to participate. Ms. Stephanie Conn and Mr. Dede Subakti were added to the roster. Although Mr. W. Shannon Black of WECC was a member of the original drafting team, he will not serve on the interpretation drafting team but will serve as WECC staff support to the team.

Individual or group. (4 Responses)
Name (3 Responses)
Organization (3 Responses)
Group Name (1 Responses)
Lead Contact (1 Responses)
Question 1 (4 Responses)
Question 1 Comments (4 Responses)
Question 2 (4 Responses)
Question 2 Comments (4 Responses)
Question 3 (4 Responses)
Question 3 Comments (4 Responses)
Question 4 (4 Responses)
Question 4 Comments (4 Responses)

Group
PacifiCorp
Kelly Cumiskey
Yes
No
No
No
Individual
Alice Ireland
Xcel Energy
Yes
<p>PSCo agrees that the process was fair and open. However, PSCo believes that the proposed interpretation goes beyond the allowed limits of an interpretation. PSCo commented in the WECC ballot that based on the current paradigm of path operator’s roles and operations in WECC, the Interpretation would in fact expand the scope of responsibility from the TOP who is the Path Operator to all TOPs who have a share of a Path. This interpretation essential negates the role/responsibility of the path operator and implies that the RC would have to now contact all TOPs with shares of the path and coordinate mitigating actions with all TOPs sharing in the path. Additionally, it is not clear what responsibilities and liabilities a TOP of an element on an overloaded path would have if their scheduled flows were zero or not over their allocated amount and none of their facilities in the path were overloaded. The issue is being worked on by a WECC Task Force of experts from the industry. The WECC Path Operator Task Force is addressing the preceding issues and we look forward to their recommendations. We feel that developing the Path Operator as part of the NERC Functional Model is the best long term approach. Approving the proposed interpretation will complicate matters as cited above and will do little if anything to solve the issues.</p>

No
No
No
Individual
Dave Willis
Idaho Power Co.
Yes
No
No
No
Individual
Chris Mattson
Tacoma Power
Yes
No
No
No

Exhibit E
Drafting Team Roster



**WECC-0010 Request for Interpretation
TOP-007-WECC-1
System Operating Limits**

Attachment I - Drafting Team Members

Last Name	First Name	Role	Company
Gillespie	Steve	Team Member	CAISO
Hydzik	Rich	Team Member	Avista Portland General Electric
Johnson	Don	Team Member	Electric
Tuck	Brian	Team Member	BPA
Tucker	James	Team Member	Deseret Generation
Conn	Stephanie	Team Member	WAPA
Subakti	Dede	Team Member	CAISO